

Message Text

UNCLASSIFIED

PAGE 01 TORONT 00610 132324Z
ACTION EB-08

INFO OCT-01 EUR-12 IO-14 ISO-00 XMB-04 JUSE-00 CEA-01
CIAE-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01
DOE-15 OPIC-06 /146 W
-----000695 142002Z /46

R 131707Z APR 78
FM AMCONSUL TORONTO
TO SECSTATE WASHDC 7096
INFO AMEMBASSY OTTAWA
USMISSION GENEVA
USDOC WASHDC

UNCLAS TORONTO 0610

GENEVA FOR USDEL MTN

E.O. 11652: N/A
TAGS: ETRD, EINV, CA
SUBJ: ONTARIO WANTS AUTO MANUFACTURING INVESTMENT BUT NOT A
SUCKER'S GAME OF BIDDING FOR IT

REF: (A) OTTAWA 01709 (B) TORONTO 0437

1. CANADA (READ ONTARIO) SHOULD HAVE A "FAIR SHARE" OF THE NORTH
AMERICAN AUTO INDUSTRY, INCLUDING PARTS MANUFACTURING AND RESEARCH
AND DEVELOPMENT, BUT SHOULD NOT GET INTO A "JURISDICTIONAL WAR WITH
THE PUBLIC PURSE", WHICH IS "A SUCKER'S GAME", ACCORDING TO
PROVINCIAL TREASURER DARCY MCKEOUGH.

2. ALTHOUGH THE CANADIAN AUTO MARKET IS GROWING FASTER THAN THE U.S.
,
ACCORDING TO MCKEOUGH, THE DOLS 3 BILLION AUTO PACT DEFICIT EXPECTED
THIS

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TORONT 00610 132324Z

YEAR SHOWS THAT CANADA IS NOT GETTING ITS "FAIR SHARE" OF PRODUCTION.
MCKEOUGH CALLS ON OTTAWA TO SET GROWTH TARGETS THAT WILL ENABLE
CANADIAN PRODUCTION TO GROW RELATIVE TO MARKET SHARE SO AS TO ELIMINA
TE
THE TRADE IMBALANCE BY 1983; AND SINCE THE GROWTH IN NORTH AMERICAN
INVESTMENT IS EXPECTED TO BE IN THE PARTS SECTOR, HE WANTS THAT
TYPE OF INVESTMENT IN CANADA (MCKEOUGH SAYS THE AUTO MANUFACTURERS

INVESTMENT PROGRAM WILL AMOUNT TO DOLS 58 BILLION).

3. ACCORDING TO MCKEOUGH, AT THE RECENT FIRST MINISTERS CONFERENCE PRIME MINISTER TRUDEAU AGREED TO THE FOLLOWING OBJECTIVES: (1) ELIMINATION OF THE AUTO TRADE DEFICIT; (2) UPGRADING OF SKILLS EMPLOYED IN THE CANADIAN INDUSTRY; (3) OBTAINING A "FAIR SHARE" OF RESEARCH AND DEVELOPMENT WORK; AND (4) OBTAINING A "FAIR SHARE" OF INDUSTRY INVESTMENT AND JOB OPPORTUNITIES.

4. ACCORDING TO MCKEOUGH, CANADA SHOULD AND CAN ATTAIN THESE GOALS WITHOUT OFFERING EXTRAVAGANT FINANCIAL INDUCEMENTS, IN CONTRAST TO CERTAIN U.S. STATES AND "ANOTHER PROVINCE" (I.E. QUEBEC). "REGIONAL DEVELOPMENT CANNOT BE USED AS A LICENCE FOR FISCAL MADNESS," HE MAINTAINS. NEVERTHELESS, ONTARIO IS NOT OPPOSED TO LEGITIMATE EFFORTS TO ENCOURAGE INDUSTRIAL INVESTMENT, AND HE FRANKLY SAYS THAT "THE REALITY OF THE NORTH AMERICAN AUTO INDUSTRY STRUCTURE IS THAT IT IS CLEARLY OPEN TO POLITICAL PRESSURES TO DISCRIMINATE IN FAVOUR OF ONE JURISDICTION OVER ANOTHER."

5. COPIES OF MCKEOUGH SPEECH BEING POUCHED TO ADDRESSEES WITH REFERENCE TO THIS MESSAGE.

DIGGINS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AUTOMOTIVE INDUSTRY, INVESTMENTS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 13 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TORONT00610
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780161-0478
Format: TEL
From: TORONTO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780458/aaaabxhi.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b257a1b0-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 OTTAWA 1709, 78 TORONTO 437
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2971999
Secure: OPEN
Status: NATIVE
Subject: ONTARIO WANTS AUTO MANUFACTURING INVESTMENT BUT NOT A SUCKER'S GAME OF BIDDING FOR IT
TAGS: ETRD, EINV, CA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b257a1b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014